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SUBJECT: PARLIAMENT'S FALL SESSION: A PREVIEW

REF: A. AMMAN 2171

B. AMMAN 2585

C. AMMAN 2716

D. AMMAN 1571

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11. (SBU) Summary: Jordan's parliament will return for its ordinary session on October 5. The first order of business will be the election of the speaker, a vote that current speaker Abdulhadi Al-Majali seems to have clinched already. Economic issues are set to dominate the agenda, with complicated (and controversial) measures on social security, real estate, and taxation at the fore. Amendments to the Law on Associations and the establishment of a Chamber of Agriculture are also on the docket. End Summary.

12. (U) On September 18, King Abdullah signed a proclamation summoning parliament into session on October 5. This will be the second ordinary session of Jordan's 15th parliament, and will open with the King's annual "speech from the throne." Unlike the extraordinary session of parliament which concluded in July (Ref A), ordinary sessions do not have a fixed legislative agenda or a set format for debate. MPs will be allowed to question ministers and debate topics of the day as they see fit. While the pace of ordinary sessions often slows to a crawl due to parliamentary maneuvers and speechifying on the part of MPs, the open format can also allow for quick movement on issues that require parliament's immediate attention.

Majali Likely To Stay On As Speaker

13. (SBU) The first item of business will be the annual election of the speaker. Incumbent Abdulhadi Al-Majali seems poised to retain his position, in spite of continual grumbling among those who are not a part of his patronage network. Media reports say that Majali's National Democratic Trend bloc, currently in the process of becoming a political party (Ref B), struck a deal with the National Fraternal Bloc (Al-Ikha) in which the latter would support Majali for the speakership in return for appointment of some of its members to committee chairmanships - a shrewd bargain which will allow the Ikha to punch above its weight class. Falak Jemani, the only female MP to be elected outside of the quota for women, has again announced her intention to run, but has few supporters. There are rumors that some other senior MPs (Mamdouh Al-Abbad, Sa'ad Srour, Abdulrauf Rawabdeh) are considering throwing their hats into the ring, but unlike Majali they lack an established machine to amass the needed votes and are unlikely to be successful.

The Agenda

14. (U) The ordinary session will be dominated by economic legislation, with the notable exception of amendments to the Law on Associations. Many of these laws, such as changes to

Jordan's social security system and tax regime, are omnibus reforms which have been in the works for some time. These are bread and butter issues which matter to ordinary Jordanians, and as such they will likely provoke long and acrimonious debate.

Amendments to the Law on Associations

¶15. (SBU) The controversial Law on Associations, passed by parliament during the extraordinary session, was signed by the King with the understanding that amendments would soften some of the harsher elements of the new system (Ref C and previous). Once input from civil society and the government is synthesized, PM Dahabi has indicated that he will give the amendments "urgent status" so they can be considered during the window between the King's signature and the entry of the law into force. The government will have to stay focused and keep the pressure on the MPs to move quickly; having passed the original law in July in haste, MPs may seek to drag out the proceedings or tack on more changes this time around.

Social Security Law

¶16. (U) This law is at the top of the government's agenda, having been delayed several times due to last-minute changes. The bill would increase the age of retirement, require twenty-three years of service before retirement (up from the current fifteen), combine two separate social security mechanisms into one overarching system, and cap outlays at 5000 JD (USD 7000) for wealthier Jordanians who benefit disproportionately in the current system. The law is certainly on the radar screen of MPs, who will likely attach many amendments and prolong debate on the measure.

Landlords and Tenants Law

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¶17. (SBU) This is a broad-ranging law, originally passed in 2000 but set to go into effect in 2010, that will change the face of the real estate market in Jordan. It re-writes the book on the rights and responsibilities of landlords and tenants, ends rent control, and allows formal subletting for the first time. The bill covers not only the rental of housing, but also other rental goods such as cars and equipment. In anticipation of the law's taking force, the recent changes in the economy have led to a growing consensus that further amendments are needed before it takes effect. Many Jordanians worry about volatility in real estate prices that the law may produce, and fret that rich landowners will gain huge windfall profits at the expense of the working class. Despite the public concern, the government has not done much to prepare public opinion or members of parliament for the enactment of these changes, which may make it difficult for the bill to pass through the lower house without significant amendments or delays.

Tax Law

¶18. (SBU) This long-awaited reform would unify Jordan's scattered tax legislation into a uniform code. The law is designed to be revenue neutral; it will abolish some taxes and raise others. The bill has experienced a bumpy ride so far in the media: reports that the law would contain taxes on remittances and capital markets sparked public outrage and vehement denials from the Minister of Finance. There is also concern that a recently-added provision which would allow the cabinet to offer "special tax incentives" to companies of its choosing would open the door to corruption. USAID contacts indicate that a consensus on this law remains elusive at the cabinet level, and expect it to appear later in the ordinary session.

Chamber of Agriculture Law

¶19. (SBU) This law was considered by parliament in the

extraordinary session, but was delayed when MPs realized that further debate was needed. The bill was sent back to a committee for further amendment and discussion. As mentioned Ref D, the law would create a new Chamber of Agriculture to promote agri-business and the credibility of Jordanian agricultural producers. Currently, an agricultural office exists within the Chamber of Commerce, but its role is fee collection, not oversight. Jordan's agricultural community has been lobbying for this action for some time, as agricultural issues have languished in the current chamber. Several previous attempts have been made to pass similar versions of this law, but all were either delayed or blocked by the Chamber of Commerce.

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